

Regulatory Coordination Call for Evidence Financial Services Regulatory Strategy  
1 Red  
HM Treasury  
1 Horse Guards Road  
SW1A 2HQ

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**Financial Services Future Regulatory Framework Review  
Call for Evidence: Regulatory Coordination**

The Information Commissioner's Office (ICO) welcomes the opportunity to respond to the Call for Evidence on the first phase of the Financial Services Future Regulatory Framework Review which specifically focuses on the combined impact of regulatory change on financial services and their customers, including coordination between regulators.

The ICO is not a sectoral financial regulator, but the horizontal nature of the data protection regulatory framework means that we have a pivotal relationship with the financial sector and the main financial regulators, including the FCA and the CMA. We have therefore confined our comments to the nature of our role as a horizontal regulator in this space at a time of significant change; and how we work collaboratively with other financial regulators.

In a rapidly changing world with new threats and opportunities constantly emerging, effective regulation is challenging but essential as adoption of new technologies and systems requires public trust and confidence.

Regulation is now transnational in character; involves a range of regulatory players; and requires regulators to develop and maintain expertise in a highly competitive market place. The ICO has experienced at first hand the benefits of a modern regulatory regime, including updated powers with the introduction of the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 (DPA18). This includes, how these can be deployed to tackle global issues through strong international networks and relationships. For effective collaboration to take place between regulators, it is essential that all players have modern powers to enable them to tackle issues on a pan global basis.

An important forum for regulators to work collaboratively together on a formal basis is through the UK Regulators Network (UKRN). The ICO has recently become a full member of the UKRN. The Network provides opportunities for members to 'call on' other members where areas are identified that a collaborative approach would bring benefits for consumers and the economy, or agreeing an approach to regulation.

Outside this forum, there are a number of examples of where the ICO works collaboratively with individual financial regulators both on a formal and informal basis. These include:

- Memorandums of Understanding exist between the ICO and the FCA<sup>1</sup> and the ICO and the CMA<sup>2</sup> which establish a framework for cooperation, coordination and information sharing.
- The ICO has regular senior and operational level engagement with the FCA, including monthly bilaterals to discuss intelligence and specific cases. In particular both organisations share intelligence in relation to unsolicited calling and messages where linked to financial products, such as pensions – and therefore relevant to areas regulated by both organisations.
- FCA and ICO have shared experience and expertise in relation to setting up 'sandboxes' with the ICO following the FCA's lead in this area. Both regulators through our individual sandboxes provide guidance to organisations on the implementation of new and emerging technologies and business models. We continue to explore opportunities for a cross border regulatory sandbox to allow organisations to navigate multiple cross border regulatory issues and potentially test new products and services across multiple jurisdictions.
- OFCOM/FCA Stop Scams UK Roundtable: Cross sectoral initiative to shape the UK approach to reducing spam and problem callers.

The ICO engaged proactively with the Digital Competition Expert Panel, Chaired by Jason Furman. We believe the Furman Report has recommended an

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<sup>1</sup> <https://ico.org.uk/media/about-the-ico/documents/2614342/financial-conduct-authority-ico-mou.pdf>

<sup>2</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/425987/CMA\\_and\\_ICO\\_MoU\\_on\\_consumer\\_protection\\_issues.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/425987/CMA_and_ICO_MoU_on_consumer_protection_issues.pdf)

important opportunity to further enhance the coherence and co-ordination within this landscape. This includes regulators having a more formal regard to each other's remits; and for improved clarity and coherence in the regulatory landscape for both businesses and citizens.

We are also open to exploring the potential benefits of the recommendation in the Furman report for the ICO to have a secondary statutory duty to have due regard for competition. A similar duty for the ICO to have regard for innovation was introduced in 2018 and has proved effective.

I hope this information is helpful. We would be very happy to discuss further.

Yours Sincerely

A handwritten signature in blue ink that reads "Paul Arnold". The signature is written in a cursive, slightly slanted style.

Paul Arnold  
Deputy CEO / Executive Director – Corporate Strategy and Planning Services